

# SENATE BILL 794

C6

(2lr1138)

## ENROLLED BILL

— Budget and Taxation and Finance/Ways and Means —

Introduced by **Senators Garagiola, Astle, DeGrange, Glassman, King, Klausmeier, Mathias, Middleton, Muse, and Robey**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Horse Racing – Purse Dedication Account – Use of Funds for Operating**  
3 **Assistance**

4 FOR the purpose of ~~repealing a restriction that limits to a certain calendar year~~  
5 authorizing for certain calendar years the use of certain Purse Dedication  
6 Account funds for operating assistance by the Ocean Downs Race Course and  
7 Rosecroft Raceway to support a minimum of a certain number of live racing  
8 days at each of these race courses; authorizing the use of certain revenues from  
9 the Purse Dedication Account for certain operating expenses at certain  
10 racetracks; placing certain conditions on the receipt of certain grants from the  
11 Purse Dedication Account; requiring certain racing licensees to provide certain  
12 information to the Secretary of Labor, Licensing, and Regulation under certain  
13 circumstances; prohibiting certain funds from being used to contribute to a  
14 campaign finance entity or make an independent expenditure; providing for the

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#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics* indicate opposite chamber/conference committee amendments.



1 effective date of certain provisions of this Act; providing for the termination of  
 2 certain provisions of this Act; and generally relating to the use of Purse  
 3 Dedication Account funds by the Ocean Downs Race Course and Rosecroft  
 4 Raceway for operating assistance.

5 BY repealing and reenacting, without amendments,  
 6 Article – State Government  
 7 Section 9–1A–28(e), (f), and (h)  
 8 Annotated Code of Maryland  
 9 (2009 Replacement Volume and 2011 Supplement)

10 BY repealing and reenacting, with amendments,  
 11 Article – State Government  
 12 Section 9–1A–28(g)  
 13 Annotated Code of Maryland  
 14 (2009 Replacement Volume and 2011 Supplement)

15 BY renumbering  
 16 Article – State Government  
 17 Section 9–1A–28(g) and (h), respectively  
 18 to be Section 9–1A–28(i) and (j), respectively  
 19 Annotated Code of Maryland  
 20 (2009 Replacement Volume and 2011 Supplement)  
 21 (As enacted by Chapter 412 of the Acts of the General Assembly of 2011)

22 BY adding to  
 23 Article – State Government  
 24 Section 9–1A–28(g) and (h)  
 25 Annotated Code of Maryland  
 26 (2009 Replacement Volume and 2011 Supplement)  
 27 (As enacted by Chapter 412 of the Acts of the General Assembly of 2011)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 29 MARYLAND, That the Laws of Maryland read as follows:

30 **Article – State Government**

31 9–1A–28.

32 (e) The amount of funds allocated to standardbred purses and the  
 33 Standardbred Race Fund shall be allocated as follows:

34 (1) 89% to standardbred purses at Rosecroft Raceway, Ocean Downs  
 35 Race Course, and the racecourse in Allegany County, allocated based on the number of  
 36 live racing days at each track location; and

37 (2) 11% to the Standardbred Race Fund.

1 (f) From the amount provided to thoroughbred purses, the State Racing  
 2 Commission shall pay an annual grant of \$100,000 to Fair Hill, as defined under §  
 3 11-811 of the Business Regulation Article.

4 (g) **(1)** Of the amount provided from the Purse Dedication Account under  
 5 subsection (e)(1) of this section:

6 ~~(1)~~ **(I)** for Ocean Downs Race Course, up to \$1,200,000 ~~ANNUALLY~~  
 7 **EACH YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015** may be used to  
 8 provide operating assistance to support a minimum of 40 ANNUAL live racing days  
 9 [for calendar year 2012 only] **FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015**  
 10 **ONLY** unless the racing licensee is prevented by weather, acts of God, or other  
 11 circumstances beyond the racing licensee's control; and

12 ~~(2)~~ **(II)** for Rosecroft Raceway, up to \$1,200,000 ~~ANNUALLY~~ **EACH**  
 13 **YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015** may be used to provide  
 14 operating assistance to support a minimum of 40 ANNUAL live racing days [for  
 15 calendar year 2012 only] **FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015**  
 16 **ONLY** unless the racing licensee is prevented by weather, acts of God, or other  
 17 circumstances beyond the racing licensee's control.

18 **(2) FUNDS RECEIVED BY OCEAN DOWNS RACE COURSE OR**  
 19 **ROSCROFT RACEWAY UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT**  
 20 **BE USED TO CONTRIBUTE TO A CAMPAIGN FINANCE ENTITY UNDER TITLE 13 OF**  
 21 **THE ELECTION LAW ARTICLE OR MAKE AN INDEPENDENT EXPENDITURE AS**  
 22 **DEFINED IN § 1-101 OF THE ELECTION LAW ARTICLE.**

23 (h) (1) To obtain operating assistance under this section:

24 (i) a holder of a racing license to race at Ocean Downs Race  
 25 Course or Rosecroft Raceway may apply to the Secretary of Labor, Licensing, and  
 26 Regulation for the reimbursement of expenditures made by the racing licensee to  
 27 conduct the annual live racing schedule; and

28 (ii) a holder of a racing license to race at Rosecroft Raceway  
 29 shall:

30 1. agree to rehire workers employed at the facility prior  
 31 to the end of live racing on June 27, 2008; and

32 2. recognize collective bargaining agreements that were  
 33 in place as of June 1, 2008.



1 9-1A-28.

2 (e) The amount of funds allocated to standardbred purses and the  
3 Standardbred Race Fund shall be allocated as follows:

4 (1) 89% to standardbred purses at Rosecroft Raceway, Ocean Downs  
5 Race Course, and the racecourse in Allegany County, allocated based on the number of  
6 live racing days at each track location; and

7 (2) 11% to the Standardbred Race Fund.

8 (f) From the amount provided to thoroughbred purses, the State Racing  
9 Commission shall pay an annual grant of \$100,000 to Fair Hill, as defined under §  
10 11-811 of the Business Regulation Article.

11 (g) **(1)** OF THE AMOUNT PROVIDED FROM THE PURSE DEDICATION  
12 ACCOUNT UNDER SUBSECTION (E)(1) OF THIS SECTION:

13 ~~(1)~~ **(I)** FOR OCEAN DOWNS RACE COURSE, UP TO \$1,200,000  
14 ~~ANNUALLY~~ **EACH YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015** MAY  
15 BE USED TO PROVIDE OPERATING ASSISTANCE TO SUPPORT A MINIMUM OF 40  
16 ANNUAL LIVE RACING DAYS **FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015**  
17 UNLESS THE RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR  
18 OTHER CIRCUMSTANCES BEYOND THE RACING LICENSEE'S CONTROL; AND

19 ~~(2)~~ **(II)** FOR ROSECROFT RACEWAY, UP TO \$1,200,000  
20 ~~ANNUALLY~~ **EACH YEAR FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015** MAY  
21 BE USED TO PROVIDE OPERATING ASSISTANCE TO SUPPORT A MINIMUM OF 40  
22 ANNUAL LIVE RACING DAYS **FOR CALENDAR YEARS 2012, 2013, 2014, AND 2015**  
23 UNLESS THE RACING LICENSEE IS PREVENTED BY WEATHER, ACTS OF GOD, OR  
24 OTHER CIRCUMSTANCES BEYOND THE RACING LICENSEE'S CONTROL.

25 **(2) FUNDS RECEIVED BY OCEAN DOWNS RACE COURSE OR**  
26 **ROSECROFT RACEWAY UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT**  
27 **BE USED TO CONTRIBUTE TO A CAMPAIGN FINANCE ENTITY UNDER TITLE 13 OF**  
28 **THE ELECTION LAW ARTICLE OR MAKE AN INDEPENDENT EXPENDITURE AS**  
29 **DEFINED IN § 1-101 OF THE ELECTION LAW ARTICLE.**

30 (h) (1) TO OBTAIN OPERATING ASSISTANCE UNDER THIS SECTION:

31 (i) A HOLDER OF A RACING LICENSE TO RACE AT OCEAN  
32 DOWNS RACE COURSE OR ROSECROFT RACEWAY MAY APPLY TO THE  
33 SECRETARY OF LABOR, LICENSING, AND REGULATION FOR THE

1 REIMBURSEMENT OF EXPENDITURES MADE BY THE RACING LICENSEE TO  
2 CONDUCT THE ANNUAL LIVE RACING SCHEDULE; AND

3 (II) A HOLDER OF A RACING LICENSE TO RACE AT  
4 ROSECROFT RACEWAY SHALL:

5 1. AGREE TO REHIRE WORKERS EMPLOYED AT THE  
6 FACILITY PRIOR TO THE END OF LIVE RACING ON JUNE 27, 2008; AND

7 2. RECOGNIZE COLLECTIVE BARGAINING  
8 AGREEMENTS THAT WERE IN PLACE AS OF JUNE 1, 2008.

9 (2) (I) ON THE COMPLETION OF THE REVIEW OF THE  
10 APPLICATION BY A CERTIFIED PUBLIC ACCOUNTANT, THE SECRETARY MAY  
11 AUTHORIZE THE REIMBURSEMENT OF EXPENDITURES BY THE RACING  
12 LICENSEE THAT ARE NECESSARY TO CONDUCT THE ANNUAL LIVE RACING  
13 SCHEDULE.

14 (II) EXPENDITURES ELIGIBLE FOR REIMBURSEMENT  
15 UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE THE  
16 ORDINARY AND REASONABLE COSTS OF CONDUCTING THE RACE MEETINGS,  
17 PARI-MUTUEL WAGERING, AND STABLING ACTIVITIES OF THE RACING  
18 LICENSEE, NET OF ORDINARY INCOME AND RECEIPTS.

19 (III) THE REIMBURSEMENT CALCULATION UNDER  
20 SUBPARAGRAPH (II) OF THIS PARAGRAPH MAY NOT INCLUDE:

21 1. EXTRAORDINARY INCOME AND  
22 EXPENSE-RELATED ITEMS, INCLUDING EXTRAORDINARY LITIGATION  
23 EXPENSES;

24 2. LOBBYING FEES;

25 3. CAPITAL INVESTMENTS, INCLUDING  
26 PREDEVELOPMENT COSTS; OR

27 4. PRIOR YEAR ADJUSTMENTS AND CLAIMS.

28 (3) ALL COSTS ASSOCIATED WITH THE RACING LICENSEE'S  
29 APPLICATION SHALL BE PAID BY THE RACING LICENSEE.

30 (4) IN SUPPORT OF THE RACING LICENSEE'S APPLICATION AND  
31 REQUEST FOR REIMBURSEMENT SUBMITTED UNDER PARAGRAPH (1) OF THIS  
32 SUBSECTION, THE RACING LICENSEE SHALL PROVIDE TO THE SECRETARY:

1                   **(I) MONTHLY FINANCIAL INFORMATION REQUESTED BY**  
2 **THE SECRETARY, IN A FORM SATISFACTORY TO THE SECRETARY; AND**

3                   **(II) AN ANNUAL AUDITED FINANCIAL STATEMENT.**

4                   **(5) A RACING LICENSEE MAY NOT RECEIVE ASSISTANCE UNDER**  
5 **THIS SECTION WHILE THE RACING LICENSEE IS A PARTY TO A PROCEEDING**  
6 **CHALLENGING THE ISSUANCE OR DENIAL OF A VIDEO LOTTERY OPERATION**  
7 **LICENSE.**

8                   SECTION 4. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this  
9 Act shall take effect on the taking effect of the termination provision specified in  
10 Section 5 of Chapter 412 of the Acts of the General Assembly of 2011. If that  
11 termination provision takes effect, Section 1 of this Act shall be abrogated and of no  
12 further force and effect. This Act may not be interpreted to have any effect on that  
13 termination provision.

14                   SECTION 5. AND BE IT FURTHER ENACTED, That, subject to the provisions  
15 of Section 4 of this Act, this Act shall take effect October 1, 2012.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.